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Bruce D. Greenberg, Inc.

SUMMARY APPRAISAL REPORT

OF THAT +/-607 HECTARES (+/- 1,500 ACRES) OCEANFRONT SITE
KNOWN AS THE PROPOSED
DIAMANTE CABO SAN LUCAS MASTER-PLANNED COMMUNITY

LOCATED JUST NORTH OF DOWNTOWN CABO SAN LUCAS,
BAJA CALIFORNIA SUR, MEXICO

FOR

DIAMANTE CABO SAN LUCAS, S. DE R.L. DE C.V.
MR. KENNETH A. JOWDY
GENERAL ADMINISTRATOR

BY

BRUCE D. GREENBERG, MAI, ASA, SRA
STATE OF ARIZONA CERTIFIED GENERAL REAL ESTATE APPRAISER
CERTIFICATE NUMBER 30031

BYRON BRIDGES
STATE OF ARIZONA CERTIFIED GENERAL REAL ESTATE APPRAISER
CERTIFICATE NUMBER 31173

AS OF

FEBRUARY 8, 2008

OUR JOB NUMBER M975-08

M975-08 Montana Verde/Bruce D. Greenberg Inc.

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March 7, 2008

Mr. Kenneth A. Jowdy
General Administrator
Diamante Cabo San Lucas, S. de R.L. de C.V.
175 East Reno Avenue, Suite C5
Las Vegas, Nevada 89119

Our File Number M975-08

Dear Mr. Jowdy,

At your request, we have prepared the following summary appraisal of that +/-607 hectares (+/- 1,500 acres) oceanfront site located just north of downtown Cabo San Lucas known as the proposed Diamante Cabo San Lucas master-planned community. Per data provided by representatives of Diamante Cabo San Lucas, S. de R.L. de C.V. on behalf of Mr. Kenneth A. Jowdy, (hereinafter referred to as "the client") the subject site has approximately 2.35 lineal kilometers (+/- 1.46 lineal miles) of ocean frontage. The subject site is identified in the body of this report.

The purpose of this appraisal assignment is to provide the opinion of market value of the subject site proposed for the Diamante Cabo San Lucas master-planned community. The subject site is currently being developed. An 18-hole Davis Love designed golf course is under construction on the subject site with an expected completion date of Fall 2008. Currently, 7 holes have been grassed. Further, per representatives of Diamante Cabo San Lucas, S. de R.L. de C.V. on behalf of the client, the subject site has an approved masterplan for Phase I of the subject development, but is still in need of some approvals to begin construction of other phases of the subject site. Phase I has all approvals in place and is currently beginning development.

A portion of the subject property, a 210 acre parcel, located on the west side of the subject property that extends from the ocean to the rear of the subject property, as well as the beachfront area (+/-258 acres), have yet to be entitled. This is typical in an on-going development.

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At the request of Mr. Kenneth A. Jowdy, this appraisal assumes that the entire proposed subject development, including the 210 acre and 258 acre parcels that have yet to be entitled, have all approvals in place necessary for development and sales of the proposed Diamante Cabo San Lucas master-planned community. This is a reasonable assumption as full approvals are not typically given until specific development plans are submitted. Since the subject development is being phased, this will occur as future phases become developed.

However, for purposes of valuation, these approvals are assumed to be in place as of the date of value. These approvals include, but not limited to approvals such as environmental or engineering, archeological, utility, and zoning. In other words, all approvals necessary for development of the subject site are assumed to be in place as of the date of value of this report. This is a Hypothetical Condition of this report.

Thus, the subject site is being valued, "as if" with all approvals. Again, many approvals have already been granted.

The client for this assignment is Mr. Kenneth A. Jowdy. There are no additional intended users of this report. Additional readers may be only representatives of Mr. Kenneth A. Jowdy. There are no other additional readers of this report. The intended use of the appraiser's opinions and conclusions is for business decision.

THIS REPORT OR ANY PORTION THEREOF IS FOR THE EXCLUSIVE USE OF THE CLIENT FOR THE STATED PURPOSE AND INTENDED USE, AND IS NOT INTENDED TO BE USED, GIVEN, SOLD, TRANSFERRED, OR RELIED ON BY ANY PERSON OTHER THAN THE CLIENT WITHOUT THE PRIOR, EXPRESS WRITTEN PERMISSION OF THE AUTHORS, AS SET FORTH WITHIN THE UNDERLYING ASSUMPTIONS AND CONTINGENT CONDITIONS WITHIN THE BODY OF THIS REPORT.

The subject site is an oceanfront vacant tract of land having legal access from Highway 19 and being located just north of downtown (a few kilometers) Cabo San Lucas.

The subject property is assumed to be free and clear of any liens, mortgages, or other financial obligations, including delinquent taxes. Mr. Kenneth A. Jowdy states that the subject site is free and clear and has a Certificate of No Liens and we assume these factors to be correct and reliable. We have not been provided a title report.

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The appraisal is presented in a summary format that has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and in compliance with the Office of the Comptroller of the Currency (OCC) regulation 12CFR34. Given the report is presented in a summary format it might not include full discussions of the data, reasoning and analysis that were used in the appraisal process to develop the appraisers opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in the appraiser's work file. The information contained in the report is specific to the needs of the client and for the intended use stated in the report. The client is knowledgeable of the subject site and area.

The land to be used for infrastructure, amenities, and common areas has no value except being intrinsic in the value of the subject property. In other words, the value of the lots within the residential parcels being valued would be much lower were it not for the infrastructure and amenities.

The subject property has been valued on an all cash, United States currency basis. The summary report or any portion thereof is for the exclusive use of the client for the above stated purpose and intended use, and is not intended to be used, given, sold, transferred, or relied on by any person other than the client without the prior, express written permission of the authors, as set forth within the Underlying Assumptions and Contingent Conditions within the body of this report.

This appraisal was written and completed in compliance with the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP) by the Appraisal Foundation. The appraiser is knowledgeable of the valuation theories and techniques applicable to the subject property and is competent to complete this assignment; the reader is referred to his qualifications that are included. This report also meets standards of the Appraisal Institute, American Society of Appraisers and the International Valuation Standards set forth in the Seventh Edition of the International Valuation Standards Committee.

Based upon the facts and analysis contained in this report, the following is indicated as of February 8, 2008.

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| ESTIMATED MARKET VALUE OF THE SUBJECT PROPERTY, "<u>AS IF WITH FULL APPROVALS</u>", CASH | \$450,000,000 USD |
|---|--------------------------|

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The reader is referred to the EXTRAORDINARY ASSUMPTIONS FOR THIS APPRAISAL, HYPOTHETICAL CONDITIONS ASSUMED FOR THIS APPRAISAL and to the STANDARD ASSUMPTIONS AND LIMITATIONS OF THIS APPRAISAL.

Conclusion Summary:

As shown throughout this report, the Development Cost Approach was deemed to be the most reliable method for a value conclusion. There was a lack of comparable sales in the Mexico market for a reliable value conclusion utilizing the Sales Comparison Approach for the entire site. We have completed many appraisals throughout Mexico in beachfront markets and have conducted extensive research of comparable sales. While there was sufficient data to support individual retail lot value conclusions, there were no comparables for the entire site due to a lack of beachfront land sales having entitlements in similar high-end locations. The following explains the reasoning why the Development Cost Approach was deemed to be the most reliable method for a value conclusion.

The subject property is located a few kilometers north of downtown Cabo San Lucas. Downtown Cabo San Lucas is highly sought after. Projects such as Cabo Pacifica (timeshares and fractionals, Pedregal, Hacienda, and smaller infill projects have been highly successful. Hacienda, a single-family/condominium project along the marina sold nearly 70% of their first phase (about 75 units) on their first day of sales (with pre-marketing). Recently, Wal-mart, Home Depot, Costco, and other American brands located within the downtown area.

There is very limited available beachfront land in the downtown area which has fueled high prices and strong demand. The subject area is an extension of the downtown area. Development in the subject area has seen strong demand due to the limited available land along the highly demanded Los Cabos Corridor or Sea of Cortez side of Los Cabos. High-end developments such as Palmilla, Cabo del Sol, Punta Ballena, Hacienda, and El Dorado have mostly sold out of their best product. Future developments such as Chileno Bay and Twin Dolphins have limited areas for high-quality product. Querencia, located across the highway from the ocean, which is typically much inferior to oceanfront developments, has seen strong demand with home prices up to \$10 million and lot prices above \$1 million. These prices and success were not thought possible just a couple years ago. This shows the strong demand for quality product, even in inferior locations.

Potential available land in the subject area are either much further up the highway from downtown Cabo, are small sites or are involved in lengthy litigation/title problems. This lack of supply has pushed development up the Pacific side of Los Cabos as well as the East Cape (north of Los Cabos on the Sea of Cortez side of the Baja peninsula). Cabo Pacifica will be a quality development

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(located adjacent south of the subject), but has a diversity of product and much area due to topography that will limit its available high-end product. Rancho San Cristobal (adjacent north of the subject), will be more hotel oriented and less high-end than the subject. Other potential developments up the Pacific side will be much lower end than the subject giving limited competition. Thus, there is a lack of high-end competition, while there appears to be continued healthy demand.

Cabo Cortes, at least an hour north of San Jose del Cabo is the largest, newest development in the area. The lack of available land has forced Cabo Cortes and other developers to develop in these areas outside of the corridor. Hence, the limited supply is increasing the strong demand. The subject is benefiting by this trend.

Further, we have examined data in California and Hawaii. While there have been limited sales, there have been some recent large purchases. A +/-3,700 acre site in Southern California, sold for over \$1 billion dollars. This site had significant environmental issues to contend with as well as much demolition costs of existing buildings. Several sites in Las Vegas have sold for above \$500 million dollars. These sites did not have the benefit of a large amount of ocean frontage as the subject. While they are not exactly comparable, this shows that there are buyers that can pay huge sums of money for a residential development site and that prices in other markets exceed that of the subject.

Our retail value conclusions of lot values, while in the multi-million dollar range, are still about 25% to 30% below a similar development on the Los Cabos corridor, El Dorado. For example, our retail value conclusion of an oceanfront lot in the subject is \$6,500,000, while the last resale oceanfront lot in El Dorado sold for \$8,500,000. Absorption has been strong and similar to the subject's projected absorption. While the Pacific side is less demanded than the corridor, the subject development is proposed to have similar high-end quality and prestige as El Dorado. In Palmilla, an oceanfront home is currently listed for over \$20,000,000.

Further, our absorption is based upon similar absorption experienced in the high-end developments of Los Cabos. With the current lack of available land and the lack of available high-end product, our absorption projections are well within reason of the market. Los Cabos continues to attract high-end buyers from around the world. While the U.S. economy is having troubles, the high-end market in Los Cabos continues to be strong. Recent research of absorption in current projects in Los Cabos supports this trend.

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In addition, we interviewed Mr. Robert Lawrence and Mr. Alan Conboy, appraisers in Hawaii; as well as CB Richard Ellis, Cushman Wakefield, NAI Global, Costar Comps, Loopnet, and others for data relating to high end developments and land sales in the high-end markets of Hawaii and California as well as Mexico. Our search revealed that while there have been many high-end residential units sold in these markets, there have been very limited sales of large land parcels due primarily to a lack of supply of available land. Hence, the lack of supply has pushed prices up in these markets. This similar trend is compelling the subject area to higher prices.

As stated in this report, the subject has received multiple offers, from \$135 million up to \$200 million, for a portion of the subject (about 261 acres or about 17% of the entire site). This portion does not have a golf course and is shaped long and skinny with limited beach frontage in comparison to its size. The price per acre of these offers is well above that of our concluded value. While this is reasonable giving this portion is smaller in size, the limited ocean frontage compared with the entire site is less and this is compelling support for our value conclusion.

In conclusion, the above analysis, which is further supported through this report, shows that while the value of the subject site is high, the data, development trends, and demand shows that the price is reasonable. Further, the subject is being valued “as if” all entitlements are in place.

In addition to the general assumptions and limiting conditions attached hereto, the market value reported is subject to the extraordinary assumptions directly related to the assignment, which, found to be false, could alter the value opinion.

Bruce D. Greenberg and Byron Bridges have inspected the subject property on a previous assignment. Bruce D. Greenberg has most recently inspected the subject area on February 25, 2008. Mr. Bridges most recently inspected the subject site February 8, 2008. We certify the fee was not contingent upon the value estimate contained herein; that we have no interest, present or prospective, in the property appraised. Furthermore, we certify that, to the best of our knowledge and belief, all statements and opinions contained in this report are correct, subject to the assumptions, hypothetical conditions, limiting conditions and certification which are made a part of this report.

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Your attention is directed to the data and discussions contained within this report and to the exhibits, which are pertinent.

Respectfully submitted,



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